



**FOR IMMEDIATE RELEASE**  
Tuesday, August 28, 2007

**Contact:** Phil Sisneros 505-231-5846  
Lynn Southard 505-222-9048

## **AG Lawsuit against Debt Collector**

**(SANTA FE)**---The office of Attorney General Gary King is suing an Illinois debt collection company for violating New Mexico's Unfair Practices Act (UPA) while attempting to collect debts that are legally unenforceable because the statute of limitation has run without disclosing that material information to the debtors.

Merchants' Credit Guide Company is also charged with violating the Collection Agency Regulatory Act for having engaged in debt collection activities in New Mexico without a proper business license. The Act requires any debt collector attempting to collect New Mexico incurred debt from New Mexico residents to obtain a Collection Agency License from the Department of Regulation and Licensing, Financial Institutions Division. Merchants Credit Guide Company is alleged to have attempted to collect at least 23,300 accounts in New Mexico before it became licensed on April 1, 2005.

The Attorney General also alleges that the company engages in unfair or deceptive business activities when leaving messages on debtors' home answering machines and voice mail by failing to identify the purpose of the call as an attempt to collect a debt. Federal law requires debt collectors to identify themselves and disclose the purpose of the call.

The lawsuit, filed in the Thirteenth Judicial District, Valencia County, asks the court to order Merchants' Credit Guide Company to meaningfully disclose to all debtors from whom it is attempting to collect time-barred debt that the obligation cannot be enforced in any court, to identify its purpose of an attempt to collect a debt in all telephone messages left at home telephone numbers, and to force the company to return all monies collected while in violation of the UPA.

###

[ *A copy of the complaint is included as an attachment* ]